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April 24, 2008

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#### **EX PARTE**

Re:

Marlene Dortch Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

United Telephone Company of Kansas, United Telephone Company of Eastern Kansas and Twin Valley Telephone, Inc.; Joint Petition for Waiver of the Definition of "Study Area" Contained in Part 36 of the Commission's Rules; Petition for Waiver of Section 69.3(e)(11) of the Commission's Rules, CC Docket No. 96-45

Dear Ms. Dortch:

On April 23, 2008, Mike Foster, Tim Morrissey, and the undersigned, on behalf of Twin Valley Telephone, Inc. ("Twin Valley"), met with Ian Dillner concerning Twin Valley's request that the Commission enter an order in response to the referral by the United States District Court for the District of Kansas finding that the waivers granted in the Commission's September 11, 2006 Order in the above-referenced docket were effective on March 1, 2006. The attached materials were discussed during this meeting.

Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced docket.

Respectfully submitted,

BLR:rw

cc: Ian Dillner

# Sprint United and Twin Valley Joint Waiver Petition, Docket 96-45

Meeting with lan Dillner
Federal Communications
Commission
April 23, 2008

#### Background

- Oct. 2005 Sprint United and Twin Valley file
   214 application for sale of 13 KS exchanges
- Oct. 2005 Sprint United and Twin Valley file waiver petition seeking waiver of:
  - Study area boundary freeze to allow exchanges to be removed from Sprint United's study area and added to Twin Valley's study area; and
  - Rule 69.3(e)(11)'s prohibition on acquiring telephone company from participating in the NECA tariff until July 1 following the sale

#### Background (cont'd)

- Jan. 2006 FCC approved 214 application
- Mar. 2006 Sprint United and Twin Valley close the acquisition of the 13 KS exchanges
- Sep. 2006 FCC grants the waiver petition

### September 11, 2006 Waiver Order

- Finds good cause to waive study freeze and to waive July 1 deadline for adding newly acquired exchanges to NECA tariffs
- Notes NECA letter indicating no objection to waiver request
- Grants petition, including request that Rule 69.3(e)(11) waiver be made effective upon closing date of the acquisition

## The Commission should find that both waivers were effective upon closing of the acquisition

- The structure of universal service support requires that the study area and Rule 69.3(e)(11) work in parallel
- Petition sought relief effective upon closing of the acquisition, and the petition was granted without condition or exception
- Finding that the waivers were not effective upon closing of the acquisition would lead to absurd and inequitable results

#### Twin Valley is uniquely situated

- Unusual length of time involved in approval of waiver petition (320 days as compared to 160 day average)
- Twin Valley made substantial investments to deploy broadband in the 13 KS exchanges (\$8 million)
   before waiver order was released
- The acquisition increased Twin Valley's access lines from 2,200 to more than 7,000 with corresponding increases in investment and expenses